

**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: May 2, 2006

**AGENDA TITLE: Report and Recommendation on the Boulder Retail Strategy:
Big Box Store Development Feasibility Analysis**

PRESENTERS:

City Manager's Office:

Brad Power, Redevelopment Director

Planning Department:

Peter Pollock, Planning Director

EXECUTIVE SUMMARY:

On September 20, 2005, Council directed that additional analysis be conducted regarding the completion of the Boulder Retail Strategy. A motion was adopted that specifically requested that staff conduct an analysis of the feasibility of developing a 150,000 +/- square foot big box retail store within the existing city limits of Boulder, with the possible inclusion of public financing at an appropriate location.

Staff assessed the capability of two sites within Boulder to accommodate a large store. The sites are the Diagonal Plaza Shopping Center and the properties at the southwest corner of Pearl Street and Foothills Parkway. Although these sites are of the desired size for a big box store and are located in proximity to established retail districts, these sites present considerable obstacles to the development of a big box store. Securing the development rights from multiple property and business owners would be a challenge on both sites. However, the primary impediment to developing a store on a site within the existing city limits is the disparity between the price of commercial land in Boulder and the price for land that these stores are willing to pay to meet development and operating requirements. Based on an analysis by staff with input from a national big box retailer as well as Boulder-based developers, the financial gap at the Foothills and Pearl site is approximately \$19 million and the gap at the Diagonal Plaza Shopping Center is approximately \$11 million.

A survey of 478 Boulder residents produced good data about existing shopping patterns and preferences, but the overall responses indicated that the immediate development of a big box store within Boulder is not a top community priority. However, Latino respondents indicated they are leaving Boulder in greater numbers to shop, particularly at discount stores and for groceries. These residents also supported the notion of locating a big box store in Boulder at a much higher rate than did the overall survey sample.

Based on the financial costs and risks associated with locating a big box store within the existing city, and based on the overall results of the retail survey which generally indicated an additional big box store is not a community priority, (however, a majority of the Latino respondents favored a big box store), staff recommends that Council not pursue facilitating a big box development within the existing city limits at this time. Site acquisition and development constraints and the requirement for a large public investment would combine to make this endeavor a significant physical and financial challenge for the community. Some of the big box chains are beginning to adapt their store format to serve urbanized areas as well as cities that lack large tracts of undeveloped land. Staff recommends that this trend be observed closely in the coming years and that contact with potential big box tenants be maintained in order for Boulder to be considered as a potential location in the future.

If Council desires the development of a big box store in the Boulder area within a shorter time frame, staff recommends that Council proceed with Option 2 relative to the expansion of the Service Area, which is outlined in the Analysis section of this memorandum. This option would preserve the opportunity to consider a Service Area expansion to satisfy a priority community need that cannot be achieved within the existing Service Area within the next few years. Other options include initiating the first step to expand the Service Area for big box retail immediately, or to not undertake any additional consideration of the request for a Service Area expansion prior to the next Major Update to the Boulder Valley Comprehensive Plan (BVCP) in 2010.

Key Issue Identification: The development of a big box store within the existing city limits would present significant physical and financial challenges for the private and public sectors. If the development of a traditional big box store is favored by Council within the next several years, additional study of the Palmos site at 28th and Jay Road could address the opportunities and impacts of developing that portion of the Planning Reserve.

STAFF RECOMMENDATION:

Based on the analysis of two potential sites within the existing city limits for big box store development, the gap between what big box stores are willing to pay to buy and develop a site and Boulder's commercial land prices is so wide that the development of a big box store within Boulder in the current market climate exclusively through private investment is infeasible. The City of Boulder could offer to facilitate the development of a store by committing to a very large public financing package, but the risks associated with that investment outweigh the benefits that would be received from the development of a big box store within the existing city. The analysis of big box development potential within Boulder is included as Attachment A.

With regard to the Palmos site, and based on the results of the community survey which generally did not indicate that additional big box development is an urgent community need, staff recommends that Council keep the door open for a request that might provide a community benefit. This would preserve the opportunity to consider a Service Area expansion in the next few years. This and other options for Council's consideration are included in the Analysis section of this memorandum.

Regardless of Council's direction regarding the consideration and timing of a Service Area expansion, staff recommends the following actions relative to future retail development:

- Before and after the opening of Twenty Ninth Street this fall, staff will continue to work with commercial land owners, developers and retailers throughout the Boulder Valley Regional Center (BVRC) and the 28th and 30th Street corridors to encourage additional retail redevelopment. An openness to negotiate development review issues that are sensitive to retailers such as parking requirements, sign issues, etc. could help to induce interest from retailers in the mid box category (20,000 to 40,000 square feet).
- As the analysis attached to this memorandum indicates, redevelopment of certain commercial shopping centers with retail uses other than big box may prove more feasible than does the land-consumptive and low purchase price requirements of big box stores. In unique and rare instances, public investment that is tied to fulfilling broad community goals, and which would have a realistic debt schedule should be considered on a case-by-case basis to facilitate major retail redevelopment initiatives. The sharing of incremental sales tax revenues and the use of public improvement fees are two possible methods of financing public improvements associated with new retail projects.
- Staff will monitor the evolving development trends that are occurring in the big box retail sector and will return to Council if an assessment proves that a large store could be developed in Boulder on a smaller site, in a multi-story format, with structured parking, or in a mixed use development. Boulder's population base and expected growth, along with the presence and continued development of big box stores in adjacent communities effectively precludes an alternative big box store development in Boulder's current market environment.
- Staff will maintain the contacts that have been developed with real estate representatives of several major national retailers. Staff will also develop a list of additional retail prospects and will cultivate new contacts.
- A keynote goal of the economic vitality program is to ensure that the business community appreciates that Boulder is "open for business". That message will be delivered by several senior staff that will represent the community at the International Council of Shopping Centers (ICSC) Spring Convention in May. The convention is the primary gathering of the retail development industry with an expected 45,000 attendees.
- Redevelopment Director Brad Power has maintained and will continue the city's membership in ICSC and will remain active in that association's regional activities.

COUNCIL FILTER IMPACTS:

- Economic: The development of a big box retail store within the existing city limits could potentially generate up to \$1.8 million in annual net new sales tax revenue (based on taxable sales of \$70 million per year and after estimating that 25% of the store's sales would be transferred from other Boulder retailers). However, a significant amount of public financing would be required to make a site within the existing city economically feasible for a developer and a big box retailer. In addition, the amount of time required to retire publicly financed debt for a big box

project in the core area of Boulder would be significantly longer than is standard for these types of projects.

- **Environmental:** The addition of over five million square feet of new retail space in the northwest portion of the Denver metro area over the last six years has resulted in additional shopping trips out of Boulder to stores within the region. Increased regional traffic congestion has resulted, especially during peak shopping periods. The development of a big box store within Boulder could lessen regional traffic by keeping Boulder-based shoppers closer to home, but local traffic impacts would be expected in the area surrounding a Boulder big box store.
- **Social:** A recent survey of Boulder consumers indicated that many shoppers would appreciate the value, selection of goods and convenience that a big box store would offer in Boulder. The survey also indicated that the items that shoppers are inclined to leave Boulder to purchase include goods such as house wares and clothing. Respondents to the survey generally did not favor public financing to secure a big box store within the existing city limits of Boulder, and the development of a big box store did not emerge as an immediate priority for most survey participants. The survey included an over sampling of the Latino community to ensure that a growing segment of Boulder's population was represented in the responses in proportion to the Latino population of Boulder. Contrary to the overall sample, the Latino respondents reported leaving Boulder to shop at much higher rates, particularly for discount merchandise and groceries. Support for the development of a big box store in Boulder was strong among the Latino participants in comparison to the overall sample results. In addition, a higher proportion of Latino respondents favored public financing for a big box store if required to secure a location in Boulder.

OTHER IMPACTS:

- **Fiscal:** Staff would provide information in the work plan on the costs of preparing a Service Area Expansion Plan, and alternatives for funding. There is currently no funding for the preparation of a Service Area Expansion Plan. Alternatives that would be explored if Council directs staff to prepare a work plan could include, for example, enlisting assistance from the county, charging application fees from Planning Reserve property owners, and removing or delaying other items in the long range planning work program.
- **Staff Time:** Staff estimates that the preparation of a work plan for a Service Area Expansion Plan could be accomplished within the existing work plan and would require approximately 40 hours of staff time from Planning, Transportation, Utilities and Parks and Recreation. In addition, staff would work with the county, since the Service Area Expansion Plan would be a joint city/county effort according to the Boulder Valley Comprehensive Plan (BVCP). The request to expand the Service Area is part of the update to the BVCP and the Retail Strategy is part of the Economic Vitality work plan. Staff from the City Manager's Economic Vitality program and the Planning Department have been involved in the analysis and preparation of materials for this agenda item.

BOARD AND COMMISSION FEEDBACK:

Staff briefed the members BURA Board of Commissioners (who also serve as the redevelopment committee of the Economic Vitality Advisory Board) individually in early April. The Planning Board will receive an update at the meeting scheduled for April 27, 2006.

ANALYSIS:

Background

The Boulder Retail Strategy was developed during the summer and early fall of 2005 to provide information to the City Council and the community regarding current and expected retail space demand in the Boulder area. The strategy also endeavored to solicit the interest of major national retailers for new or additional locations within Boulder. The strategy was developed by staff with the assistance of Economic & Planning Systems, Inc. (EPS) of Denver. The results of the strategy were presented to the City Council on August 25, 2005 in conjunction with a discussion of whether to authorize the Planning Department staff to develop a work plan to assess the steps necessary to initiate a Service Area expansion to accommodate a proposal from Palmos Development to develop a 23 acre parcel in the Planning Reserve with residential and commercial uses, including one or more big box stores.

Based on an outreach effort to big box retailers to gauge interest in Boulder, EPS reported that the only big box retailers that expressed interest in a Boulder location in the summer of 2005 were Wal Mart, Sam's Club, Lowe's and King Soopers Marketplace. During the presentation of the study on August 25, 2005, the city manager indicated that the consideration of a Wal Mart or Sam's Club would generate a protracted and divisive community debate and those retailers were not recommended to be pursued.

Council endorsed the recommendation that Boulder strive to accommodate additional mid-box retailers, (stores that typically occupy 20,000 to 40,000 square feet of space) as existing shopping centers redevelop, and preserve future retail redevelopment opportunities in the 28th and 30th Street corridors.

September 20, 2005 Council Motion

Additional information about the retail strategy was presented at the September 20, 2005 Council meeting. Council directed that additional analysis be completed to address the following motion:

1. That staff conduct a more comprehensive analysis of potential big box sites within Area I, including an analysis of redeveloping properties and properties that might redevelop with some facilitation or incentive by the city.
2. That staff be directed to develop a process for Council and the community to develop criteria by which desirable big box retailers may be identified.
3. That the City Council would initiate a service area expansion and authorize preparation of the plan as part of the 2005 Boulder Valley Comprehensive Plan major update, subject to four body review. These actions would occur after

preparation of a work plan by staff, and would be subject to parts one and two of this motion.

The next section of the memorandum addresses the elements of the September 20, 2005 Council motion by providing additional information about the evolution of big box store development in the United States and the Boulder region; trends in public financing of these stores in the Denver area; and a summary of the results of a recent survey of Boulder retail shopping patterns and preferences. The final portion of this section outlines options regarding the potential expansion of the Service Area to accommodate big box retail or other development. In order to address part one of the September 20, 2005 motion, an in-depth examination of the redevelopment potential of two sites within the city for big box development and potential methods for public facilitation of a big box store at these sites is included as Attachment A.

Brief History of Big Box Stores

Large format, or big box retailing is an evolving phenomenon in the United States. Decades ago, stores such as K-Mart and Montgomery Ward occupied a niche in retailing by providing a range of goods in larger stores at discount prices. Wal Mart has grown from a regional discount department store into an international chain that operates in almost 4,000 locations in this country. Membership warehouse clubs such as Costco and Sam's Club have expanded from serving a customer base of small businesses to marketing to consumers nationwide. Long-established retailers such as Sears and Target have also developed new store concepts that occupy at least 150,000 square feet of space, include items such as groceries and are intended to compete with Wal Mart.

The majority of big box stores have been developed in suburban or "greenfield" locations, which offer lower cost land, ample parking and access from adjacent and growing suburban residential development. They tend to be co-located with other major retail stores within large developments. Big box stores traditionally are one-level, economically constructed buildings which occupy a land area of ten to fifteen acres which accommodate the store, loading areas, parking and one or more pad sites that offer convenience services associated with the store (gasoline, auto repair, bank, etc.).

Within the last three years, several big box chains have developed multi-story stores in order to reach into untapped but population-rich urban metropolitan markets. These developments often include structured parking and some are located in mixed use developments. These new urban store concepts in cities such as New York, Chicago and West Los Angeles serve a trade area of many hundreds of thousands of people. Although the trend of developing alternative big box store formats is worth monitoring in the coming years for potential applicability to Boulder, it remains a very small proportion of this type of retailing. According to an article from the March 1, 2006 edition of the Wall Street Journal, non-traditional store formats have been developed at 17 of Wal Mart's 3,856 locations; 5 of Home Depot's 1,858 locations; 30 of Target's 1,397 locations; and 3 of Costco's 346 locations.

Another factor regarding big box stores that is drawing observation is whether they constitute a long-term use within communities. As stores continue to be built in new growth areas and as cities have increasingly offered financial incentives for new stores, big box chains have chosen to close older or underperforming stores. Many communities have had to confront the challenge of seeking new uses for a former big box store. At an International Council of Shopping Centers (ICSC) program conducted in Lakewood on February 23, 2006, Rick Kinnard of Wal Mart indicated that his company alone has over 18 million square feet of surplus space in closed stores that will be offered for sale this year.

Big Box Store Development in the Boulder Region

If big box retailing is defined as a store larger than 150,000+/- square feet, three Boulder retailers would fit closely into that category: Foley's is Boulder's largest retailer at 148,000 square feet, although it is a traditional department store; Home Depot is 141,000 square feet; and Target is 120,000 square feet. In the early to mid-1990's Boulder was investigated as a possible location by several big box retailers, including Pace Membership Warehouse, Home Base, Builder's Square and Wal Mart. None of the stores were developed due to community concerns at that time about the rate of commercial growth. These and other big box stores were being actively courted by neighboring communities, most of which offered large parcels of undeveloped land at cheaper prices relative to Boulder and in some instances, public financial assistance was also offered.

Over five million square feet of new retail space has been developed in the northwest portion of the Denver metro area over the last six years, and several million additional square feet of space is either under construction or is in the approval process. Much of the new development has been facilitated with public financing for infrastructure or other project development costs such as parking. Urban renewal and tax increment financing, special districts that administer public improvement fees and sales/property tax sharing agreements constitute the majority of the financing mechanisms. Additional information about public financing options for retail development is contained in Attachment A.

Broomfield invested approximately \$190 million in the three large retail centers that are located in the Flat Iron Crossing district. Broomfield is also providing \$26 million in tax increment financing for the 120 acre, 1 million square foot Northlands project at I-25 and Colorado 7. In 1999, Westminster funded \$7.5 million of a \$10 million budget to renovate Westminster Mall. Thornton established an urban renewal district to fund all of the infrastructure requirements for the partially completed Larkridge project, a development that will include several big box stores such as Sears Grand and Costco. Lafayette agreed to provide Wal Mart with a public investment of approximately \$3 million to facilitate the development of a new Wal Mart Supercenter in that community.

Retail development projects completed in neighboring cities within the past several years have produced a large roster of big box tenants that are attracting Boulder shoppers. These stores are also located in areas with residential growth rates that are higher relative to Boulder, which makes Boulder an important but peripheral market for these stores. Most retail analysts agree that the large store format has become a permanent aspect of the retail landscape. As more of the easily developed and high growth area sites are built-out, these

observers will watch to see how big box chains adapt their formats to expand their market share to serve inner city and other urbanized areas by developing stores on constrained sites.

Boulder Retail Survey

In order to assess Boulder residents shopping patterns at retail centers and big box stores in adjacent communities, and to facilitate the discussion of whether or not the near-term development of a big box store is a community priority, staff retained Talmey-Drake Research & Strategy, Inc. of Boulder to conduct a telephone survey of retail and big box shopping issues among 478 respondents. The complete summary report of the survey and the survey instrument are included as Attachment B. Bob Drake of Talmey-Drake will attend the Council meeting on May 2 to provide a brief summary of the survey and will answer any questions Council may wish to explore in further depth.

Key findings of the survey include:

- 76% of the respondents agreed that Boulder needs to increase sales tax revenues and one way to do that is to attract more good retail stores to the city;
- Of the ten product categories tested, the products that respondents are most likely to shop for outside of Boulder are house wares (48%), men's & women's clothing (42%), and "hip, affordable fashions" (42%);
- Costco and FlatIron Crossing are the two most frequently shopped locations outside of Boulder;
- When initially asked whether they favor or oppose attracting a big box store to Boulder, nearly half (48%) said they oppose it, while about one-third (35%) said they favor the idea;
- Those who favor the idea indicated they would appreciate getting better prices/saving money, having better convenience and increased product selection. Opponents indicated that an additional big box would hurt small business and the local economy, detract from the community's character, and increase traffic;
- If a big box store comes to Boulder, respondents selected Costco (28%) as the top choice, followed by Wal Mart (22%);
- Given the evaluation of the current local economy by respondents and their own shopping habits, by a greater than 3 to 1 margin, respondents indicated that bringing in a new big box store is "Not important at all" (42%) v. Very Important (13%);
- Initial reactions from respondents about a location for a big box store indicated that 36% preferred the Diagonal Plaza site, followed by Foothills/Pearl (31%) and the Palmos property (25%);
- When offered a choice between providing a financial incentive to a developer to construct a big box store, annexing land in the planning reserve for a store, and not attracting a big box store, 43% preferred not to attract a store, 32% favored annexation, and 18% preferred offering a financial incentive to build a store within the existing city limits. If the choice were limited to a financial incentive or annexation, 47% preferred annexation and 35% preferred offering a financial incentive;
- Although survey respondents as a whole are split on the idea of bringing another big box store to Boulder (48% to 35%), the Latino respondents to the survey favored the idea by a two-to-one margin (57% to 28%).

Service Area Expansion

At the September 20, 2005 meeting, City Council decided that, following the additional analysis of potential big box sites within the city limits and following the gathering of information about community shopping preferences, it would consider whether to direct staff to develop a work plan for a Service Area expansion for the area north of Jay Road, east of US36.

As part of the 2005 Major Update to the BVCP, a public request was received for a Service Area expansion for 2815 Jay Road for big box retail and other uses. This property is in the city's Planning Reserve, an area that can be considered for inclusion in the city's Service Area. The BVCP defines the Planning Reserve as "an interim Comprehensive Plan designation until it is decided whether the land should be placed in the Area III-Rural Preservation Area (i.e. to remain rural long-term), or in the city's Service Area (i.e. to become urban)." *BVCP Policy 2.10*. The request would expand the city's urban growth boundary and make the property eligible for annexation.

The steps for expanding the Service Area are:

1. Preparation of a Service Area Expansion Plan – all four approval bodies must determine that a desired community need cannot be met within the existing Service Area and authorize the preparation of a joint Service Area Expansion Plan.
2. Approval of a Service Area Expansion Plan – following the preparation of the plan, all four bodies must determine that the Service Area Expansion meets the criteria for expansion, including that the proposed change provides for a priority need that cannot be met within the existing Service Area and that the community benefits outweigh development costs and negative impacts.

Staff has identified three options for Council consideration in relation to the expansion of the Service Area for big box or other development proposals:

1. Do not undertake any additional consideration of the request for a Service Area expansion – If Council does not determine that big box retail uses and the retailers that have expressed an interest in locating in Boulder (based on the EPS/Retail Strategy Report) represent a priority community need that cannot be achieved in the Service Area, it can end further consideration of a potential Service Area expansion as part of the 2005 Major Update of the BVCP. The next opportunity to consider a Service Area expansion would be the 2010 Major Update to the BVCP.
2. Keep the door open – If Council determines that it would like to keep the door open for a future request that might provide a priority community benefit and preserve the opportunity to consider a Service Area expansion in the next few years, Council could either: I). keep the current request on the table; or II). direct staff to initiate a community discussion on desired community needs before the 2010 major update commences.
3. Take the first step to expand the Service Area for big box retail – If Council determines that big box retail uses and the interested retailers represent a priority

community need that cannot be achieved within the existing Service Area, it could direct staff to prepare a work plan for development of a Service Area Expansion Plan for the Planning Reserve. All four BVCP approval bodies would review the work plan and must authorize preparation of a joint city/county Service Area Expansion Plan based on the determination that a desired community need cannot be met within the existing Service Area. The plan must address the following:

- (a) the types of development needed to meet long-term community needs;
- (b) key requirements to ensure compliance with community goals and policies, and to ensure compatibility with the existing development context and surrounding area;
- (c) conceptual land use and infrastructure plan components;
- (d) requirements for development impact mitigation and offsets (both on-site and off-site); and
- (e) development phasing.

Staff recommends that City Council endorse Option 2.

Approved By:

Frank W. Bruno,
City Manager

ATTACHMENTS:

Attachment A: Big Box Retail Store Site Development Analysis: Foothills/Pearl and Diagonal Plaza Shopping Center

Attachment B: Boulder Retail Survey Summary Report and Survey Instrument

Admin/Retail Memo CC 5-2-06

ATTACHMENT A
Big Box Retail Store Site Development Analysis
Diagonal Plaza and Foothills/Pearl Sites

Staff assessed the feasibility of developing a big box store of approximately 150,000 square feet on two possible sites within the existing city. The sites are the Diagonal Plaza Shopping Center and the properties at the southwest corner of Pearl Street and Foothills.

A national retailer was contacted by staff to serve as an example big box tenant. The store development cost, maximum land price and store sales estimates that are attributed to the sample store in this analysis were provided by the retailer, based on their estimate of sales that could be expected from a Boulder store, relative to the performance of their existing stores in the metro Denver market. They reported that sales from a Boulder store would not be as high as other metro locations, and would be approximately 20% below their national average store sales performance. Because the retailer is actively considering additional sites in the Denver metro area, they did not want to be specifically identified as the model for the analysis. We can disclose that the sample store is not Wal Mart. Given the fact that big box stores tend to have similar development and operating costs, staff believes this sample store is a reasonable approximation of what big box stores would require if locating a store within Boulder.

Staff also met with representatives of two Boulder-based developers which have extensive experience developing retail and other income producing properties. The developers were particularly helpful in providing insight as to current land values and site acquisition estimates. These representatives indicated that income producing properties in Boulder are currently trading at near-historic highs. For instance, the underdeveloped site immediately south of the future Transit Village site on Pearl Street was recently being offered at a price of \$35/square foot, or \$7.8 million for the 5 acre parcel. A three acre parcel on East Arapahoe sold in late 2005 for \$121/square foot, or \$15.7 million. Closer to downtown, a ½ acre parcel and building at 22nd/Pearl was recently sold for \$99/square foot, or \$2 million.

Boulder faces two challenges relative to developing a big box store within the existing city limits. The first is locating a parcel of the size necessary to accommodate a large store. A ten to fifteen acre site is considered to be of minimum size. A two-level store and/or structured parking are not immediately feasible in Boulder given that higher growth rates are projected for communities in the metro market outside of Boulder, and many of the large stores are already present in the regional market. Secondly, given the preference of these stores for cheaper land at peripheral locations, their business models demand that they acquire land at prices that can support their large parcel and building size. Boulder's land prices far exceed the price of land that is being developed for these stores in "greenfield" locations in neighboring communities.

The following analysis examines the development feasibility of the two sites. The Foothills and Pearl site could only accommodate a single big box store, while Diagonal Plaza has some potential to be redeveloped with a big box and additional uses.

Foothills Parkway/Pearl Street Big Box Store Development Analysis

Site Area: 610,000 square feet / 14 acres
Existing Building Area: 220,000 square feet
Parcels: 4 Parcels / 2 Owners / 3 Operating Businesses / Frontier St.
Right-Of-Way

Sample Store Development Cost and Sales Estimates

Store Size: 145,000 square feet, plus pad site on periphery
Parking: 750 cars
Construction Cost: \$60/square foot or \$8.7 million
Maximum Cost for Land Purchase: \$8/square foot or \$4.88 million
Estimated Year Three Retail Sales: \$100 million

Foothills/Pearl Land Acquisition Estimate (Valuation Based on Income Producing Buildings)

Building Area: 220,000 square feet
Average Lease Rate Est: \$7.50/square foot
Capitalization Rate Est: 7% (Provided by Boulder Developer Based on Current Market)
Value Based on Income: \$23.5 million
Value Based on Land Area: \$23.5 million or \$38/square foot (1)

(1) A 5 acre underdeveloped parcel immediately west of this site was recently offered at \$35/square foot)

Maximum Big Box Store Land Purchase Price and Land Acquisition Estimate

Maximum Price From Store: \$4.8 million (Entire 14 Acre Site)
Estimated Acquisition Price: \$23.5 million
Gap: \$18.6 million

Conclusion

This site's proximity to the 28th/30th retail corridor and the Twenty Ninth Street project and regional auto access heighten its attractiveness as a possible location for a big box store. However, those characteristics also heighten the value of the land for an income-producing use, which produces a significant gap between the value of the land and the maximum price the sample big box retailer indicated they are willing to pay for a site in Boulder. In addition, the attractiveness of this site to a developer could be lower due to the fact that the development of additional income producing uses are not possible, and the income stream from a sole big box tenant may not produce sufficient returns on their development costs. Methods to narrow the \$18.6 million gap through public financing follow in the next portion of this analysis.

Diagonal Plaza Shopping Center Big Box Store Development Analysis

Site Area: 1,071,335 square feet / 24.5 acres
Existing Building Area: 241,000 square feet (1)
(1) Does not include City of Boulder Housing property of 30,000 s.f.
Parcels: 10 Parcels / 10 Owners / 20+ Operating Businesses

Sample Store Development Cost and Sales Estimates

Store Size: 145,000 square feet, plus pad site on periphery
Parking: 750 cars
Construction Cost: \$60/square foot or \$8.7 million
Maximum Cost for Land Purchase: \$8/square foot or \$5.2 million (15 acres of 24.5 acre site)
Estimated Year Three Retail Sales: \$100 million

Diagonal Plaza Land Acquisition Estimate (Valuation Based on Income Producing Buildings)

Building Area: 241,000 square feet
Average Lease Rate Est: \$10/square foot
Capitalization Rate Est: 8% (Based on physical condition/maintenance needs)
Value Based on Income: \$30.1 million
Value Based on Land Area: \$30.1 million or \$28/square foot

Additional Redevelopment Capacity at Diagonal Plaza

| | | |
|--|----------------|-------------------------------|
| Sale of Land to Big Box Retailer: | \$5.2 million | 15 acres @ \$8/acre |
| Sale of Land to Small Store and Mid Box Retailers: | \$2.6 million | 5 acres @ \$12/acre |
| Market Rate Housing: | \$11.7 million | \$65,000/unit @ 180 units (2) |

(2) EPS Retail Strategy. Assumes land cost of 20% gross sales price of \$325/square foot, and unit size of 1,000 s.f.
Total Income From Land Sale: \$19.5 million

Big Box/Other Retail and Residential Land Purchase Scenario and Acquisition Estimate

| | |
|--|----------------|
| Maximum Proceeds for Big Box Store/Other Retail/Residential: | \$19.5 million |
| Estimated Acquisition Price: | \$30.1 million |
| Gap: | \$10.6 million |

Conclusion

Diagonal Plaza site could accommodate a big box store and other commercial and residential uses. However, the estimated value of the land indicates that conveying 15 acres of the 24.5 acre site to a big box retailer at a discounted price of \$8/square foot produces the \$10.6 million financial gap. In today's market, the feasibility of redeveloping the center would increase drastically if mid-box and smaller retail spaces were developed on the site rather than a big box store since such stores typically pay higher land/rent prices than do big boxes. The sample retailer indicated that given Boulder's market characteristics and expected growth, they would not consider building a multi-level store within Boulder, or make a contribution to structured parking if their store were to be included in a mixed use development. Methods to narrow the financial gap for including a big box store in a redeveloped Diagonal Plaza Shopping Center through public financing follow in the next portion of this analysis.

Use of Public Investment to Finance Big Box Retail Store Development Gap

As the previous section of this analysis demonstrated, the insistence on a relatively low land cost by big box stores would present a considerable financial challenge for the development of a traditional, one-level store in the current Boulder commercial real estate environment. This section of the analysis will assess public financing options to facilitate a big box store on the Foothills/Pearl or the Diagonal Plaza sites.

The “Big Three” of Real Estate Redevelopment Public Finance in Colorado

As the staff memorandum indicates, cities throughout Colorado are actively using public financing mechanisms to encourage new retail development. The trend has accelerated in the last six years. There are three primary public finance methods that have been employed to fund new infrastructure to service a development, public parking, and public financing to discount land acquisition and development costs. They are:

Tax Increment Financing

Tax Increment Financing, or TIF is a method through which revenues generated by new commercial development are captured for a period of time and are used to service debt associated with the financing and construction of public improvements necessary to facilitate a commercial project. TIF is employed within formally established urban renewal districts. Local sales, use, accommodations, admissions and property tax revenue can be appropriated within a TIF district. Boulder employed TIF to facilitate the first expansion of the Crossroads Mall in the early 1980's, and the construction of the parking garage below the St. Julien Hotel at Ninth & Canyon. The urban renewal statute and its associated provisions that authorize TIF are currently under serious scrutiny by the Colorado legislature. In addition, it is very likely that Colorado will follow 27 other states to outlaw the use of eminent domain for economic development purposes. The application of the urban renewal tool may be severely restricted in Colorado in the coming years if certain provisions of the proposed legislation are enacted.

Contractual Sales Tax TIF

A variation of urban renewal based-TIF is the execution of a contract between a city and a developer to dedicate sales tax revenues from new development into a fund to pay for public improvements necessary to support the project and to induce a developer to undertake the project. Urban renewal designation is not required for this option. Typically, the developer funds the initial cost for the eligible public improvements and is reimbursed (with interest) for that expense from future sales tax revenue from the project. Unlike urban renewal, which is not subject to TABOR, a contractual TIF is subject to an annual appropriation and therefore, commands higher interest rates than does tax-exempt bond financing authorized through urban renewal.

Public Improvement Fee

The use of public improvement fees or PIFs is a relatively new public finance option in Colorado to facilitate commercial real estate development. A fee on retail sales is imposed within a certain geographic area, or for a specific project and the revenue generated by the

fee is placed into a special fund to service debt associated with public improvements constructed to facilitate the project. PIFs are typically governed by a special district, and for large projects, the district may be the owner/developer of the project. In some instances, cities have discounted their sales tax rate by the amount of the PIF in order to maintain tax rate competitiveness with neighboring communities. In other instances, the PIF has been collected in addition to the established sales tax rate.

Analysis of Big Box Store Revenue Generation in Boulder

This analysis is based on annual store sales performance estimates provided by the sample retailer. Revenue collection by the City of Boulder is based on 2006 rates.

| | |
|-------------------------------------|----------------|
| Total Annual Store Sales: | \$100 million |
| Total Taxable Sales (70% of Total): | \$70 million |
| Sales Tax Revenue to City at 3.41%: | \$2.4 million |
| Share to General Fund: | \$1.08 million |
| Share to Dedicated Funds: | \$1.32 million |

Revenue Estimates if 25% of Store Sales Are Transferred From Other Boulder Retailers

| | |
|----------------------------|---------------|
| Sales Tax Revenue to City: | \$1.8 million |
| Share to General Fund: | \$810,000 |
| Share to Dedicated Funds: | \$990,000 |

Summary of General Fund Sales Tax Collection

Under this scenario, approximately \$810,000 in new general fund revenue would be generated by a big box store in Boulder on an annual basis, net of non-taxable sales, and allowing for 25% of the store's sales tax revenues to be transfers in sales from other Boulder stores. All or a portion of that amount could conceivably be dedicated to public improvement costs associated with attracting a big box store to one of the two sites identified in this analysis. The analysis assumes 50% or \$405,000 of the general fund revenue from the store could be dedicated to facilitating the store's development.

Public Improvement Fee

If a public improvement fee were to be imposed on the taxable portion of the store's sales (\$70 million), the following annual fee revenue would be generated at various rates:

| | |
|-----|-----------|
| .1% | \$70,000 |
| .3% | \$210,000 |
| .5% | \$350,000 |
| 1% | \$700,000 |

Bridging the Big Box Development Gap Through Public Financing

The analysis indicates a development feasibility gap of \$18.6 million at the Foothills and Pearl site and \$10.6 million at the Diagonal Plaza Shopping Center. The final portion of this analysis will identify methods to finance that gap through dedication of incremental sales tax revenues, a public improvement fee, or a combination of both mechanisms.

Foothills and Pearl

Big Box Development Feasibility Gap: \$18.6 million

Scenario 1 – General Fund

General Fund Financing Amount for Debt Service: \$405,000
Interest Rate: 6%
Required Term for \$18.6 million: 41 Years

Scenario 2 – Aggressive Public Improvement Fee

1% Public Improvement Fee: \$700,000
Interest Rate: 6%
Required Term for \$18.6 million: 25 Years

Scenario 3- 50% General Fund + .5% Public Imp Fee

\$405,000 GF + \$350,000 (.5%) Public Improvement Fee: \$755,000
Interest Rate: 6%
Required Term for \$18.6 million: 23 Years

Diagonal Plaza

Big Box Development Feasibility Gap: \$10.6 million

Scenario 1- General Fund

General Fund Financing Amount for Debt Service \$405,000
Interest Rate: 6%
Required Term for \$10.6 million: 25 Years

Scenario 2- Aggressive Public Improvement Fee

1% Public Improvement Fee: \$700,000
Interest Rate: 6%
Required Term for \$10.6 million: 15 Years

Scenario 3- 50% General Fund + .5% Public Imp Fee

\$405,000 GF + \$350,000 (.5%) Public Improvement Fee: \$755,000
Interest Rate: 6%
Required Term for \$10.6 million: 14 Years

Conclusion

Financing the development feasibility gap solely from general fund revenues would be impractical due to an extensive period of time required for debt service. A combined general fund payment and public improvement fee would narrow the time required to service project debt and could conceivably facilitate the development of a big box store. However, all scenarios involve a high degree of risk based on the fact that the public financing would essentially be dedicated to accommodating a single retail tenant. The city would be at great risk should the tenant close or choose to relocate to another jurisdiction. The longevity of big box stores in any market has yet to be conclusively proven. Based on this analysis, pursuing the development of a big box store within the existing city limits of Boulder is currently not feasible based on:

- The size of the parcel required by big box stores to develop a single level store with surface parking in Boulder increases development costs substantially. The example store in this analysis indicated they have no interest in varying their standard site plan for a Boulder location.
- The price of land in Boulder is prohibitive when measured against what big box stores are willing to pay to accommodate their business model.
- Assembly of multiple parcels of land at the two sites examined in this analysis by a private entity could require several years. That process could also produce one or more property owners who may attempt to hold out for a premium price as the assembly proceeds.
- Colorado's early experience with public improvement fees (PIFs) indicates an average financing term of five to seven years. This analysis indicates that a PIF-based public financing approach would require three and five times the average financing period to accomplish a big box project on the two examined sites.
- Retail is the most volatile of the commercial land uses. The financial risk to the city of underwriting the development cost of a single retail tenant is prohibitive.

ATTACHMENT B

TO: Members of the Boulder City Council

FROM: Bob Drake, Talmey-Drake Research & Strategy, Inc.

DATE: April 19, 2006

SUBJECT: Summary of Results from the Boulder Retail Survey

The demise of Crossroads Mall starting in the mid '90's left the city of Boulder struggling with its sales tax base. And while the opening of Twenty Ninth Street is expected to inject badly needed sales tax revenues into City coffers, the new mall is not expected to fully make up for what its former regional predecessor generated in its heyday.

Confronted with this reality, the City commissioned The Boulder Retail Survey to better understand where its citizens are now shopping, and explore strategies on how to shift sales tax dollars now being spent outside its borders to new or existing stores within the City. And one of those "new" store options on the table is the pursuit of an additional big box store.

To meet the Council directive to get citizen input on big box stores, a significant portion of this study does just that, identifying voter attitudes toward:

- Big Box stores in general;
- Possible sites for such a store
- Financial incentives to attract a big box store

The purpose of the research is not to determine what actions the City should or should not take, but rather to provide data on the attitudes of its residents to help establish a framework within which decisions on retail development can be made.

METHODOLOGY

The 2006 Boulder Retail Survey was conducted on behalf of the city of Boulder by Talmey-Drake Research & Strategy, Inc. Additionally:

- 478 telephone interviews conducted with active voters living in or near the City.
- Interviews conducted February 27 to March 8, 2006.
- Over sampled Boulder's Latino population with 81 Latino surnamed households, who were given the option of taking the survey in English or Spanish.
- Data from these 81 interviews were weighted down to 10% of the survey data, to reflect the approximate Latino population of Boulder.
- Margin of error is plus or minus 4.5% about any one reported percentage.

KEY FINDINGS

The Economy and Retail in Boulder

- *One area of Boulder's economy that residents think needs to improve is sales tax revenues. About three-fourths (76%) agree that Boulder needs to "increase sales tax revenues, and one way is to attract more good retail stores to the City."*

- *Yet a sense of urgency is lacking, and this concern over doing something new to increase sales tax revenues is tempered by the perception that once the Crossroads Mall's renovation is completed, then sales tax revenue in the City will return to its 2001, pre-recession level.*
- *A majority of residents believe that Boulder residents are being lured out of the City by cheaper prices offered at stores in Louisville, Superior, Broomfield, and Longmont (66% agree), and by a greater variety of stores and goods available in surrounding communities (54% agree).*
- *Of the ten product categories tested, the ones that Boulderites are most likely to shop for outside of the City are house wares such as linens, appliances, and furniture (48%); men's & women's clothing (47%); and "hip, affordable fashions" (42%). They are least likely to venture outside of Boulder to buy groceries.*
- *Costco and Flatiron Crossing are by far the most frequently visited retail outlets outside of the City where Boulder residents go to shop. On average, Boulder residents visit Costco 2.4 times every three months, and they visit Flatiron Crossing about 2.2 times.*

Favor or Oppose Big Box Development

- *When initially asked whether they favored or opposed attracting a new Big Box store to Boulder, nearly half (48%) say they oppose it, while about one-third (35%) favor the idea.*
- *When asked again if they favored or opposed bringing another Big Box store to Boulder, with the condition that the new store could not be a Wal-Mart or a Sam's Club, residents are evenly split, with 42% saying they still oppose it and 40% saying they favor it.*
- *Those who favor bringing another Big Box store to Boulder mostly do so for self-interest reasons rather than reasons related to potential economic benefits. The top reasons residents favor the idea are:*
 - *getting a better price or saving money (30%);*
 - *convenience (26%);*
 - *increased product selection (14%); and*
 - *being able to drive less (13%)*

Just 20% mention an increase in sales tax revenue, and 3% say they favor it for other economic reasons.

- *Those who oppose trying to attract a new Big Box store to the City do so primarily because of a perceived negative effect on the community, such as:*
 - *hurting small business or the local economy (29%);*
 - *detracting from the City's character (12%); and*
 - *increased traffic (12%)*

Ten percent volunteer that they just don't want another Big Box store in Boulder.

- *Even among those who strongly agree that:*
"The City of Boulder needs to increase sales tax revenues, and one way is to attract more good retail stores to the City so Boulder residents will shop less at stores outside of Boulder",

half (52%) say the City should not try to attract a new big box store because it hurts local businesses, and should wait to see what happens with Twenty Ninth St. before proceeding further.

- Another reason for the lackluster support for attracting a new Big Box store to Boulder is that, overall, residents do not see attracting a Big Box store to be a particularly compelling issue at this time. Given Boulder's economy and their own shopping habits, by a greater than 3:1 margin, residents feel that bringing in a new Big Box store is "Not important at all" (42%) v. "Very important" (13%).*
- If a Big Box retailer is to come to Boulder, residents name Costco (28%) more than any other store as the Big Box outlet they would most prefer, followed closely by Wal-Mart (22%).*

Site Location

- When initially asked which location they favor for a new Big Box store, a plurality of residents choose the Diagonal Plaza site (36%), followed closely by Foothills-Pearl (31%), and more distantly by the Palms site (25%).*
- After hearing arguments both for and against each of the locations, support for each of the sites levels off, with Diagonal Plaza dropping from 36% to 32% and Palms increasing slightly from 25% to 29%. Foothills/Pearl St. stays at about 30%.*

Financial Incentives v. Annexation v. Doing Nothing

- Given the choice between offering a Big Box store developer a sales tax revenue incentive of several million dollars, annexing land that is currently in the planning reserve, and not attracting a new Big Box store, a plurality (43%) prefer not to attract a new Big Box retailer, with one-third (32%) favoring annexation and 18% opting to pay financial incentives.*
- However, when the choice is just between (1), offering a Big Box store developer a sales tax revenue incentive of several million dollars, and (2), annexing land that is currently in the Planning Reserve, nearly one-half (47%) prefer annexation while about a third (35%) would rather pay incentives and not annex land in the Planning Reserve.*
- Given the choice between attracting a new Big Box store to Boulder to help make up for a drop in sales tax revenues versus not attracting a new Big Box retailer and waiting to see what happens with 29th St., Boulder residents prefer not attracting a new Big Box store by a greater than two-to-one margin (65%:29%).*

Pockets of Support

- While Boulder residents as a whole are split on the proposal to attract a new Big Box store to the City, Latinos favor the idea by a two-to-one margin (57%:28%).*
- Latinos appear to be more likely than the average Boulder resident to shop for certain specific types of products outside of the City (most noticeably groceries), and they are more likely to frequently shop at retailers outside of Boulder, particularly at Big Box discount stores.*

- *One of the more striking divisions between supporters and opponents of attracting another Big Box store is based on where the voter lives. Support for attracting a new Big Box retailer to Boulder is strongest on the east side of the City, particularly the northeast (49% support), while opposition is strongest on the west side, particularly in the northwest (48% oppose).*

Conclusions

- *Boulder residents are divided on the issue of attracting a new Big Box store to the City, even if the store would not be a Wal-Mart or a Sam's Club. One reason that there is not greater support for the proposal is the perceived negative effect on the community.*
- *Another reason is that residents see no compelling need at this time to bring in a new Big Box store, so there is no sense of urgency to get it done. They appear willing to wait for current projects to finish before committing to a new Big Box store in the City.*
- *Should the City decide that it is important to pursue another Big Box store to solidify the City's sales tax base, it will have to make a strong case to residents that:*
 - *The City has had to eliminate or cut back on City services deemed important to residents as a result of lost sales tax revenues;*
 - *Those cuts have had adverse effects on Boulder residents;*
 - *A Big Box store is needed to serve the needs of its Latino population; and most importantly*
 - *That Twenty Ninth St. is not going to be the regional center Crossroads once was, and will not make up for all the lost sales tax revenues the City has suffered over the last 10 years.*
- *Finally, A particular challenge facing the City is meeting the needs of the City's Latino population, who would clearly benefit from more affordable shopping opportunities, as evidenced both by where they now shop (disproportionately at Wal-Mart and other Big Box stores outside of Boulder) and by their support for Big Box stores: Latinos support attracting another Big Box store to Boulder by an almost 2:1 margin (57% favor, 31% oppose).*

BP/Results Memo

BOULDER RETAIL SURVEY

Hello, my name is _____. First, I want to assure you that we're not selling anything, or asking for money. I'm with Talmey-Drake Research, a market research company located here in Boulder. We're interviewing people in the Boulder area about a variety of local issues, and we would like to include your opinions.

SCREENER

- A. First I would like to confirm that you live in or immediately adjacent to the City of Boulder, including the Gunbarrel area. *[n=478]*
- Yes..... 100% ⇒ *Go to C*
 No..... -- ⇒ *Go to B*
 DK/NS..... -- ⇒ *Go to B*
- B. *[Ask only if R says "No" or "DK/NS" in Screener A; else go to Screener C]* Is there someone at this residence who does live in or immediately adjacent to the City of Boulder, with whom I may speak?
- Yes..... 100% ⇒ *Start over*
 No..... -- ⇒ *Terminate*
 DK/NS..... -- ⇒ *Terminate*
- C. And do you live inside the city limits, which for the purposes of this survey includes Gunbarrel, or do you live outside the City limits of Boulder? *[n=478]*
- Inside..... 92% ⇒ *Go to E*
 Outside..... 8% ⇒ *Go to D*
 DK/NS..... -- ⇒ *Terminate*
- D. *[Ask only if R says "Outside" in Screener C; else go to Screener E]* Do you live within about a couple of miles of the city limits, or do live farther away?
- Within a couple miles..... 100% ⇒ *Go to E*
 Farther away than a couple of miles..... -- ⇒ *Terminate*
 DK/NS..... -- ⇒ *Terminate*
- E. And are you 18 years old, or older? *[n=478]*
- Yes..... 100% ⇒ *Go to G*
 No..... -- ⇒ *Go to F*
 DK/NS..... -- ⇒ *Go to F*
- F. *[Ask only if R says "No" or "DK/NS" in Screener E; else go to Screener G]* Is there someone in this household who is 18 years old, or older, with whom I may speak?
- Yes..... 100% ⇒ *Start over*
 No..... -- ⇒ *Terminate*
 DK/NS..... -- ⇒ *Terminate*
- G Sex? *[Do not ask] [n=478]*
- Male..... 48%
 Female..... 52%

1. First, how would you describe the economic conditions in Boulder today? Would you say they are excellent, good, only fair or poor?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-----------------|--|--------------------------|
| Excellent..... | 13% | 11% |
| Good..... | 51% | 49% |
| Only fair | 28% | 35% |
| Poor..... | 4% | 2% |
| DK/NS | 4% | 2% |

2. *[DELETED 3/1]* Next, do you think sales tax revenue collected by the city of Boulder from retail stores and restaurants over the past year has gone up a lot, gone up a little, stayed pretty much the same, gone down a little or gone down a lot over the past 12 months?

| | Total Weighted Sample [n=138] |
|-----------------------------------|--|
| Gone up a lot..... | 3% |
| Gone up a little..... | 31% |
| Stayed pretty much the same | 33% |
| Gone down a little | 10% |
| Gone down a lot | 4% |
| DK/NS | 19% |

3. My next questions are about shopping you do in and around Boulder. First, I will read you ten different types of things people typically shop for. After I read each type, please tell me when YOU shop for this type of merchandise do you typically make more of your purchases at stores located within the city limits of Boulder, or do you make more of your purchases for this type of goods at stores located outside the City, in areas like Flatiron Crossing, Superior/Louisville or Longmont. First, what about: *[Read list; randomize]*

| | -----More at Stores----- Inside Boulder | Outside Boulder | DK/ NS |
|--|--|------------------------|-------------------|
| a. House wares, linens, appliances and furniture Total Weighted Sample [n=478] | 44% | 48% | 8% |
| Latino [n=81] | 37% | 59% | 4% |
| b. Home improvement necessities such as tools, supplies, hardware, gardening and do-it-yourself materials Total Weighted Sample [n=478] | 68% | 25% | 7% |
| Latino [n=81] | 72% | 25% | 4% |
| c. Women's and men's clothing, jewelry, shoes and leather goods Total Weighted Sample [n=478] | 47% | 47% | 6% |
| Latino [n=81] | 47% | 49% | 4% |
| d. Children's goods, including children's clothing, toys, shoes and bedding Total Weighted Sample [n=478] | 33% | 24% | 43% |
| Latino [n=81] | 48% | 35% | 17% |
| Households with kids [n=126] | 52% | 34% | 14% |

| | | -----More at Stores----- | | DK/ NS |
|----|---|--------------------------|------------------------|-----------|
| | | <u>Inside Boulder</u> | <u>Outside Boulder</u> | |
| e. | Hip, affordable fashions | | | |
| | Total Weighted Sample [n=478]..... | 40% | 42% | 18% |
| | Latino [n=81]..... | 40% | 49% | 11% |
| f. | [Split Sample w/ 3b] Groceries | | | |
| | Total Weighted Sample [n=270]..... | 94% | 4% | 2% |
| | Latino [n=42]..... | 88% | 12% | -- |
| g. | [Split Sample w/ 3i] Electronics, like computer equipment software, TV's and stereo systems | | | |
| | Total Weighted Sample [n=270]..... | 63% | 29% | 8% |
| | Latino [n=42]..... | 50% | 36% | 14% |
| h. | [Split Sample w/ 3f] Organic natural foods | | | |
| | Total Weighted Sample [n=241]..... | 85% | 5% | 10% |
| | Latino [n=39]..... | 74% | 13% | 13% |
| i. | [Split Sample w/ 3g] Books, CD's and DVD's | | | |
| | Total Weighted Sample [n=241]..... | 75% | 18% | 7% |
| | Latino [n=39]..... | 69% | 26% | 5% |
| j. | Movie tickets to a movie theater | | | |
| | Total Weighted Sample [n=478]..... | 49% | 36% | 15% |
| | Latino [n=81]..... | 33% | 46% | 21% |

4. Now thinking again about all the shopping you do, what types of things are you buying most often at stores outside of the city of Boulder, that you would LIKE to buy at stores located inside the City, if Boulder stores actually carried a good enough selection of those items? [Multiple Response OK # Responses]

| | Total Weighted Sample [n=478] | Latino [n=81] |
|--|---|-------------------------|
| ITEMS | | |
| Clothing (men's, women's, children's) | 36% | 36% |
| Shop in Boulder only/ very satisfied with shopping | 13% | 16% |
| Furniture/ appliances | 12% | 12% |
| Entertainment items (movies, music cd's | 9% | 6% |
| Electronics / Best Buy..... | 9% | 9% |
| Linens/ household goods | 8% | 12% |
| Home Depot/ Lowe's/Sears Hardware..... | 7% | 9% |
| Clothing department stores (JC Penny's, Dillards, Ross) | 6% | 9% |
| Lumber/ hardware/tools | 3% | 1% |
| Sporting goods..... | 2% | 4% |
| Arts/ crafts/plants | 2% | 2% |
| Other Items..... | 4% | 2% |
| STORES | | |
| Costco (cheaper bulk goods) / Sam's Club | 8% | 5% |
| Wal-Mart/ K-Mart/ Big-Lot's/ Kohl's | 6% | 5% |
| Grocery stores/no discount cards/International food selection..... | 4% | 12% |
| Restaurants | 1% | 1% |
| OTHER | | |
| More convenient/ lower prices outside | 5% | 11% |
| Everything I buy outside Boulder, I would buy inside..... | 3% | 4% |
| Other | 1% | 1% |

DON'T KNOW/REFUSED 15% 12%

5. *[DELETED 3/1]* Thinking about where you do your shopping, would you say that you are currently doing more of your overall shopping **INSIDE** the City of Boulder than you did a couple of years ago, or are you now doing more of your shopping **OUTSIDE** of the City than you were before?

| | Total Weighted Sample [n=138] | Latino [n=6] |
|-------------------------------------|--|-------------------------|
| More inside the city limits | 36% | 17% |
| More outside the city..... | 39% | 67% |
| Remained pretty much the same | 23% | 17% \Rightarrow No |
| <i>Prompt</i> | | |
| DK/NS | 2% | -- |

6. I will now read you a list of different stores or shopping centers outside of Boulder where people who live in Boulder sometime do their shopping. After I read each one, please tell me about how many times, in a typical three month period of time, you shop at that store or shopping center. The first is: *[Read list; randomize] [If R says less than once per three month period, record as 0, DK/NS=99]*

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-----------------------------|--|--------------------------|
| a. Sam's Club in Louisville | | |
| 0 | 75% | 59% |
| 1 | 3% | 5% |
| 2 | 2% | 6% |
| 3 | 3% | 6% |
| 4-6 | 2% | 5% |
| 7 times or more..... | 2% | 6% |
| DK/NS | 13% | 12% |
| Mean | .6 | 1.6 |

| | Total Weighted Sample [n=478] | Latino [n=81] |
|--|--|--------------------------|
| b. Wal-Mart in Longmont, Broomfield or Lafayette | | |
| 0 | 62% | 41% |
| 1 | 8% | 11% |
| 2 | 4% | 5% |
| 3 | 5% | 7% |
| 4-6 | 6% | 14% |
| 7 times or more..... | 3% | 14% |
| DK/NS | 12% | 9% |
| Mean | 1.2 | 3.2 |

| | Total Weighted Sample [n=478] | Latino [n=81] |
|------------------------------------|--|--------------------------|
| c. Flatiron Crossing in Broomfield | | |
| 0 | 38% | 39% |
| 1 | 18% | 15% |
| 2 | 9% | 6% |
| 3 | 9% | 9% |
| 4-6 | 13% | 12% |
| 7 times or more | 7% | 9% |
| DK/NS | 7% | 10% |
| Mean | 2.2 | 2.4 |

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-----------------------|--|--------------------------|
| d. Costco in Superior | | |
| 0 | 50% | 52% |
| 1 | 8% | 8% |
| 2 | 6% | 10% |
| 3 | 7% | 5% |
| 4-6 | 8% | 10% |
| 7 times or more | 11% | 5% |
| DK/NS | 10% | 10% |
| Mean | 2.4 | 1.6 |

| | Total Weighted Sample [n=478] | Latino [n=81] |
|--------------------------------|--|--------------------------|
| e. Twin Peaks Mall in Longmont | | |
| 0 | 69% | 52% |
| 1 | 10% | 8% |
| 2 | 3% | 4% |
| 3 | 2% | 9% |
| 4-6 | 3% | 6% |
| 7 times or more | 2% | 10% |
| DK/NS | 11% | 11% |
| Mean | .6 | 2.2 |

| | Total Weighted Sample [n=270] | Latino [n=42] |
|---|--|--------------------------|
| f. <i>[Split Sample w/ 6g]</i> Home Depot in either Louisville or Longmont, before the Home Depot store opened in Boulder | | |
| 0 | 46% | 38% |
| 1 | 16% | 14% |
| 2 | 11% | 17% |
| 3 | 8% | 5% |
| 4-6 | 8% | 10% |

| | | |
|----------------------|-----|-----|
| 7 times or more..... | 5% | 10% |
| DK/NS | 6% | 7% |
| Mean | 1.7 | 2.5 |

**Total
Weighted
Sample**
[n=241] **Latino**
[n=39]

g. [Split Sample w/ 6f] Lowe's in Louisville

| | | |
|----------------------|-----|-----|
| 0..... | 59% | 56% |
| 1..... | 17% | 18% |
| 2..... | 2% | 3% |
| 3..... | 6% | 10% |
| 4-6 | 2% | 5% |
| 7 times or more..... | 2% | -- |
| DK/NS | 11% | 8% |
| Mean | .8 | .9 |

**Total
Weighted
Sample**
[n=478] **Latino**
[n=81]

h. Super Target in Superior

| | | |
|----------------------|-----|-----|
| 0..... | 59% | 45% |
| 1..... | 12% | 11% |
| 2..... | 5% | 12% |
| 3..... | 4% | 5% |
| 4-6 | 6% | 5% |
| 7 times or more..... | 4% | 11% |
| DK/NS | 10% | 11% |
| Mean | 1.3 | 2.8 |

**Total
Weighted
Sample**
[n=478] **Latino**
[n=81]

i. Kohl's in Longmont or Louisville

| | | |
|----------------------|-----|-----|
| 0..... | 63% | 50% |
| 1..... | 11% | 10% |
| 2..... | 4% | 6% |
| 3..... | 5% | 7% |
| 4-6 | 5% | 12% |
| 7 times or more..... | 2% | 5% |
| DK/NS | 11% | 9% |
| Mean | .9 | 1.7 |

**Total
Weighted
Sample**
[n=268] **Latino**
[n=42]

j. [Split Sample w/ 6L] Sears Grand in Thornton

| | | |
|--------|-----|-----|
| 0..... | 79% | 69% |
| 1..... | 4% | 5% |
| 2..... | 1% | -- |
| 3..... | 1% | 7% |

| | | |
|----------------------|-----|-----|
| 4-6 | -- | -- |
| 7 times or more..... | -- | -- |
| DK/NS | 15% | 19% |
| Mean | .1 | .3 |

Total
Weighted
Sample
[n=478]

Latino
[n=81]

k. Avanza Market in Westminster

| | | |
|----------------------|-----|-----|
| 0 | 77% | 69% |
| 1 | 1% | 4% |
| 2 | 1% | 4% |
| 3 | 1% | 4% |
| 4-6 | 1% | 6% |
| 7 times or more..... | -- | -- |
| DK/NS | 20% | 14% |
| Mean | .1 | .6 |

Total
Weighted
Sample
[n=241]

Latino
[n=39]

l. *[Split Sample w/ 6j]* Cherry Creek in Denver

| | | |
|----------------------|-----|-----|
| 0 | 68% | 74% |
| 1 | 7% | 8% |
| 2 | 6% | 8% |
| 3 | 1% | -- |
| 4-6 | 1% | -- |
| 7 times or more..... | * | -- |
| DK/NS | 17% | 10% |
| Mean | .4 | .3 |

7. Next I will read you several statements related to shopping in the City of Boulder. After I read each one, please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the statement. If you don't have any feeling about the statement one way or the other, just say so. *[Read list - randomize]*

| | -----Agree----- DK\ | No Feelings | -----Disagree-- DK\ | | | |
|--|------------------------|-------------|------------------------|-------------|---------------|-----------|
| | <u>Strong</u> | <u>Some</u> | <u>Neut</u> | <u>Some</u> | <u>Strong</u> | <u>NS</u> |
| a. The reason many people shop outside of Boulder is that you get cheaper prices at stores in Longmont, Louisville, Superior and Broomfield than you can find for similar items at stores located in the City of Boulder | | | | | | |
| Total Weighted Sample Mar06 <i>[n=478]</i> | 32% | 34% | 6% | 19% | 7% | 2% |
| Latino Mar06 <i>[n=81]</i> | 46% | 38% | 4% | 7% | 5% | -- |

- b. As the Boulder economy continues to improve, and the renovation of the old Crossroads Mall is completed, sales tax revenues in Boulder will rise and the City will have all the tax revenue it needs to fund City programs at their 2001, pre-recession levels

| | | | | | | |
|--|-----|-----|-----|-----|----|-----|
| Total Weighted Sample Mar06 [n=478] | 15% | 41% | 9% | 17% | 7% | 11% |
| Latino Mar06 [n=81] | 31% | 32% | 16% | 10% | 5% | 6% |

| | -----Agree----- | | No Feelings | -----Disagree-- | | |
|--|-----------------|-------------|-------------|-----------------|---------------|-----------|
| | DK\ | | | | | |
| | <u>Strong</u> | <u>Some</u> | <u>Neut</u> | <u>Some</u> | <u>Strong</u> | <u>NS</u> |

- c. [T] Because the variety of stores and the goods they offer are so limited in Boulder, you or others in your household do a significant percentage of your shopping in stores located outside of Boulder.....

| | | | | | | |
|--|-----|-----|----|-----|-----|----|
| Total Weighted Sample Dec02 [n=402] | 27% | 20% | 6% | 19% | 26% | 2% |
| Total Weighted Sample Mar06 [n=478] | 29% | 25% | 3% | 15% | 26% | 2% |
| Latino Mar06 [n=81] | 41% | 37% | 1% | 7% | 14% | -- |

- d. The city of Boulder needs to increase sales tax revenues, and one way is to attract more good retail stores to the City so Boulder residents will shop less at stores outside of Boulder

| | | | | | | |
|--|-----|-----|----|-----|-----|----|
| Total Weighted Sample Mar06 [n=478] | 43% | 33% | 4% | 10% | 8% | 1% |
| Latino Mar06 [n=81] | 43% | 30% | 9% | 7% | 10% | 1% |

8. Switching subjects slightly, you may have heard of the term “big box store.” Please tell me the names of any big box stores you know of that are in Boulder or within a 15 to 20 minute’s drive from Boulder? *[Do Not Read List] [Multiple response OK—accept up to 14 responses]*

| | Total Weighted | |
|---|-----------------------|----------------------|
| | <u>Sample</u> | <u>Latino</u> |
| | [n=478] | [n=81] |
| Home Depot | 53% | 30% |
| Costco..... | 48% | 25% |
| Target..... | 47% | 35% |
| Wal-Mart | 47% | 21% |
| Sam’s Club | 31% | 12% |
| Lowe’s..... | 23% | 9% |
| Kohl’s..... | 10% | 7% |
| Best Buy | 6% | 4% |
| K-Mart..... | 5% | 7% |
| Foley’s..... | 5% | 6% |
| King Soopers | 2% | 6% |
| Safeway | 4% | 4% |
| Sears | 1% | 1% |
| Sears Grand | 1% | 1% |
| Other..... | 7% | 12% |
| Can’t name any “Big box” stores | 3% | 2% |
| Don’t know what “Big box stores” means..... | 15% | 33% |

9. Over the past several years, there has been a great deal of talk about trying to get another big box store to come to Boulder. Typical big box stores are stores like Home Depot, Wal-Mart, Costco, Sam's Club, Kohl's, Sears Grand, Lowe's and Super K-Mart, but do not include smaller stores like Best Buy, Foleys, King Soopers or Safeway. Assuming that no public tax money would be spent trying to bring in a big box store, would you say you are generally in favor of, or against, trying to bring in another big box store to Boulder? If you are not sure one way or the other, please just say so.

| | Total Weighted Sample [n=478] | Latino [n=81] | |
|-------------------------------------|---|-------------------------|------------|
| Favor..... | 35% | 57% | ⇒ Go to 9a |
| Oppose | 48% | 31% | ⇒ Go to 9b |
| Depends on which stores | 7% | 7% | ⇒ Go to 9c |
| Not sure/don't know/undecided | 9% | 5% | ⇒ Go to 10 |
| Refused | * | -- | ⇒ Go to 10 |

- 9a. [Ask Q9a if R says "Favor" in Q9; else go to Q9b] And what would you say is the number one reason you favor having another big box store in Boulder? [**Probe**] Any other reasons? [Program and ask as Open End;. Record answer verbatim.]

| | Total Weighted Sample [n=168] | Latino [n=46] |
|---|---|-------------------------|
| Better price/Saves me money..... | 30% | 19% |
| Convenience/Easier/Saves time/one-stop shopping | 26% | 28% |
| Gives us tax revenue/tax money/sales tax..... | 20% | 7% |
| Variety of products/Selection/Large inventory | 14% | 13% |
| Use less gasoline/Not drive all over/Cuts down on traffic.. | 13% | 4% |
| Proximity/Location/Closer | 12% | 24% |
| More Choices | 9% | 9% |
| Need competition | 7% | 9% |
| Like shopping them..... | 3% | -- |
| Economic reasons | 3% | 4% |
| More people shop here/growth | 2% | -- |
| Other..... | 7% | 8% |
| Nothing/DK/NS..... | 2% | 7% |

- 9b. *[Ask Q9b if R says "Oppose" in Q9; else go to Q9c]* And what would you say is the number one reason you are against having another big box store in Boulder? **[Probe]** Any other reasons? *[Program and ask as Open End,. Record answer verbatim.] [Multiple response OK]*

| | Total Weighted Sample [n=231] | Latino [n=25] |
|--|--|--------------------------|
| Bad for local, smaller business/hurt local economy/ Destroy communities..... | 29% | 20% |
| Have enough /don't need/too many/Home Depot | 19% | 12% |
| Takes away from character of the city/does not fit community | 12% | 8% |
| They cause traffic congestion/Their big trucks pollute | 12% | 8% |
| Oppose more buildings/lack of space/take up too much land..... | 6% | 8% |
| Smaller stores better for economy | 5% | 8% |
| Small, local owned stores better/more variety..... | 4% | 4% |
| They're ugly/stuff piled to ceiling..... | 4% | -- |
| Just don't want/like them/don't like shopping there | 10% | 4% |
| Big Box stores not an economic benefit..... | 3% | 8% |
| Dislike their corporate ethics/unethical/Hire foreigners | 4% | 4% |
| Don't want a Wal-Mart | 3% | 4% |
| Take over parking places | 3% | -- |
| Few full time jobs/ minimum wage/No health benefits | 6% | -- |
| They decrease quality of products/inferior products | 3% | -- |
| Other..... | 10% | 8% |
| Nothing/DK/NS..... | 5% | 36% |

- 9c. *[Ask Q9C if R says "Depends" in Q9; else go to Q10]* And why is it that you say it depends on which stores? **[Probe]** Any other reasons? *[Program and ask as Open End, Record answer verbatim.]*

| | Total Weighted Sample [n=36] | Latino [n=6] |
|--|---|-------------------------|
| DON'T WANT/NEED BECAUSE: | | |
| Dislike Wal-Mart | 20% | 17% |
| Some stores have or have had unethical policies..... | 8% | 17% |
| Shopping center poorly presented..... | 6% | -- |
| Big Box stores hurt smaller/locally owned stores | 6% | -- |
| Don't need Home Depot | 5% | 17% |
| Dislike K-Mart..... | 3% | -- |
| Just don't need more at this time | 3% | -- |
| NEED/WOULD LIKE BECAUSE: | | |
| Some stores are better than others/depends..... | 21% | 33% |
| Prefer Sears | 6% | -- |
| Like Dillards..... | 6% | -- |
| Like Costco | 3% | -- |
| Stores needed for seniors..... | 3% | -- |
| DEPENDS ON: | | |
| Which stores treatment employees ethically..... | 5% | 17% |

| | | |
|--|----|----|
| Which stores treatment customers ethically | 3% | -- |
| Location of store | 3% | -- |
| Like stores with variety/good merchandise..... | 3% | -- |

OTHER

| | | |
|---|-----|-----|
| Don't purchase certain lines of grade | 3% | -- |
| Some don't help local economy | 3% | -- |
| Nothing/DK/NS | 11% | 17% |

10. *[If R says "Oppose big box stores" in Q9, read: 'Even though you are against bringing in another big box store to Boulder, if City did decide to try to bring in another one,']* Which specific big box [store would be least objectionable to you/store or stores would you like to see come to Boulder]? *[Multiple response OK, accept up to 12 responses.] [Do not read list]*

| | Total Weighted Sample [n=478] | Latino [n=81] |
|---------------------------------|--|--------------------------|
| Costco..... | 28% | 25% |
| Wal-Mart | 22% | 32% |
| Sears/Sears Grand..... | 10% | 10% |
| Kohl's..... | 8% | 9% |
| K-Mart..... | 7% | 17% |
| Sam's Club | 7% | 10% |
| Target..... | 7% | 9% |
| Best Buy | 4% | 2% |
| Lowe's..... | 3% | 5% |
| NOT a Wal-Mart/Sam's Club | 2% | 4% |
| King Soopers | 2% | -- |
| Other..... | 13% | 16% |
| None in particular/DK/NS..... | 24% | 12% |

11. Now suppose that Wal-Mart and Sam's Club were REMOVED from the list of possible big box stores to bring into Boulder, so that if another big box store were to locate in Boulder, it could NOT be either a Wal-Mart or a Sam's Club. Knowing this, and assuming that no public tax dollars will be spent, would you now say you are generally in favor of trying to bring in one more big box store to Boulder, or are you against bringing in another big box store? If you are not sure one way or the other, please just say so.

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-------------------------------------|--|--------------------------|
| Favor..... | 40% | 57% |
| Oppose | 42% | 28% |
| Depends on which stores | 8% | 6% |
| Not sure/don't know/undecided | 10% | 9% |
| Refused..... | -- | -- |

12. For the remainder of the survey, whenever you hear the term "big box store", assume that a Wal-Mart or Sam's Club are NOT one of the big box stores being considered by the City. That being said, regardless of how you feel about attracting another big box store to Boulder, considering Boulder's economy and your shopping needs, would you say it is very important, somewhat important, only slightly important or not important at all to bring another big box store to Boulder?

Total

| | Weighted Sample [n=478] | Latino [n=81] |
|---------------------------|--|--------------------------|
| Very important..... | 13% | 32% |
| Somewhat important..... | 27% | 36% |
| Slightly important..... | 17% | 12% |
| Not important at all..... | 42% | 19% |
| DK/NS | 1% | 1% |

13. *[Randomize order of Q13a, b & c]* Big box stores require approximately ten acres of land for the building and parking. So if the City wants to bring in another such store, there are really only two sites in the city of Boulder where it could be built, along with one adjacent to the City that has been mentioned as a possible site. I will now describe for you each of the three sites, and ask how familiar you are with each location. The first possible site for a big box store is : *[Randomize and read just ONE of three from below]*
- the site of the Diagonal Plaza shopping center, on the South East corner of 28th Street and the Diagonal Highway, where Gart Brothers, Albertson and Rite Aid are located. How familiar are you with this location? Are you very, somewhat, not too, or not at all familiar with the Diagonal Plaza site?
 - the South West corner of Pearl Street and the Foothills Highway. This is an area where UPS, along with several warehouses, are currently located. How familiar are you with the location of this site? Are you very, somewhat, not too, or not at all familiar with the Foothills and Pearl Street site?
 - located in North Boulder, at the northeast corner of 28th Street and Jay Road. This is along the stretch of 28th Street where it curves around to the West heading toward the foothills. This site, also known as the Palmos property, is currently undeveloped land. How familiar are you with the location of this site? Are you very, somewhat, not too, or not at all familiar with this Palmos site?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|------------------------------|--|--------------------------|
| <u>Diagonal Plaza</u> | | |
| Very familiar | 82% | 59% |
| Somewhat familiar | 13% | 35% |
| Not too familiar | 2% | 1% |
| Not at all familiar | 2% | 5% |
| DK/NS | 1% | -- |

14. The second possible site for a big box store is: *[Randomize and read just ONE of two remaining from below]*
- Diagonal Plaza *[Use actual wording from Q13a]*
 - Pearl Street-Foothills Highway *[Use actual wording from Q13b]*
 - Palmos Site *[Use actual wording from Q13c]*

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-----------------------------------|--|--------------------------|
| <u>Foothills and Pearl</u> | | |
| Very familiar | 68% | 49% |

| | | |
|---------------------------|-----|-----|
| Somewhat familiar | 23% | 26% |
| Not too familiar | 5% | 15% |
| Not at all familiar | 3% | 7% |
| DK/NS | 1% | 2% |

15. The third possible site for a big box store is: *[Read just the ONE remaining from below]*

- a. Diagonal Plaza *[Use actual wording from Q13a]*
- b. Pearl Street-Foothills Highway *[Use actual wording from Q13b]*
- c. Palmos Site *[Use actual wording from Q13c]*

| Palmos | Total Weighted | |
|---------------------------|---------------------------------|--------------------------------|
| | Sample <i>[n=478]</i> | Latino <i>[n=81]</i> |
| Very familiar | 67% | 53% |
| Somewhat familiar | 20% | 27% |
| Not too familiar | 6% | 12% |
| Not at all familiar | 5% | 6% |
| DK/NS | 1% | 1% |

16. Regardless of whether you are in favor of, or against, them, if a new big box store were going to come to Boulder, which of the following three sites do you think would be the best place to locate a new big box store? *[Read list; Single response only]*

| | Total Weighted | |
|---|---------------------------------|--------------------------------|
| | Sample <i>[n=478]</i> | Latino <i>[n=81]</i> |
| The Diagonal Plaza site | 35% | 33% ⇒ Go to 17 |
| The Foothills Highway and Pearl Street site | 30% | 26% ⇒ Go to 17 |
| The Palmos property north of 28th and Jay..... | 24% | 32% ⇒ Go to 17 |
| None of the above <i>[No Prompt]</i> | 7% | 5% ⇒ Go to 16a |
| DK/NS | 4% | 4% ⇒ Go to 17 |

16a. *[Ask only if R says "None of the above" in Q16; else go to Q17]* Even though you don't want a big box store to locate at any of these sites, if the City had to choose among just these three sites, which one do you think would be the best of the three—the Diagonal Plaza Site, the Foothills Highway and Pearl Street site, or the Palmos property north of 28th and Jay Road?

| Sample | Q16a Total | | Total Weighted | |
|---|---|-------------------------------|--|---|
| | Weighted Sample <i>[n=33]</i> | Latino <i>[n=4]</i> | Sample Q16 & Q16a <i>[n=478]</i> | Latino Q16 & Q16a <i>[n=81]</i> |
| The Diagonal Plaza site | 10% | -- | 36% | 33% |
| The Foothills Highway and Pearl Street site | 8% | 25% | 31% | 27% |
| The Palmos property north of 28th and Jay..... | 15% | 25% | 25% | 33% |
| None of the above <i>[No Prompt]</i> | 63% | 50% | 4% | 2% |
| DK/NS | 3% | -- | 4% | 4% |

17. *[Randomize order of Q17, 18 & 19]* Next I will read you statements for and against putting a big box store on each site, and will ask first about the Diagonal Plaza site. Assuming each statement I read is true, after I read each one, please tell me whether that statement makes you much more likely, somewhat more likely, somewhat less likely or much less likely to support putting a big box store at the Diagonal Plaza site. If the statement does not affect your opinion of the Diagonal Plaza site, one way or another, just say so. The first statement is: *[Read list; Randomize except read "b" and "c" as a pair, in that order]*

| | <u>Much DK/ More</u> | <u>S'what More</u> | <u>No Affect</u> | <u>S'what Less</u> | <u>Much Less</u> | <u>NS</u> |
|--|-------------------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|------------------|
| a. The Diagonal Plaza location is the most convenient location of the three sites because it is near other retail shopping centers along 28 th Street | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 23% | 29% | 20% | 11% | 14% | 2% |
| Latino <i>[n=81]</i> | 33% | 33% | 15% | 10% | 9% | -- |
| b. Currently there are 10 or so landowners on this site, as well as existing businesses, many of which would have to be relocated and the buildings torn down to provide enough land to develop a big box store, assuming all the existing owners would agree to sell their buildings | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 9% | 18% | 22% | 21% | 28% | 3% |
| Latino <i>[n=81]</i> | 15% | 26% | 12% | 27% | 17% | 2% |
| c. The City needs to start building up the tax base now, and cannot afford the years it could take for the ten or so owners of the Diagonal Plaza site to agree on a redevelopment plan, if they can agree at all | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 9% | 13% | 23% | 25% | 24% | 6% |
| Latino <i>[n=81]</i> | 16% | 32% | 11% | 19% | 21% | 1% |
| d. The City could shorten the time it could take to redevelop Diagonal Plaza, and make it more likely to happen, by offering to give to the property owners a several million dollar financial incentive that will be paid out of future city sales tax dollars collected by stores located on this site | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 8% | 19% | 15% | 19% | 35% | 4% |
| Latino <i>[n=81]</i> | 20% | 30% | 14% | 11% | 23% | 2% |

18. Next I will read you statements for and against putting a big box store on the Foothill's Highway and Pearl Street site. Assuming each statement I read is true, after I read each one, please tell me whether that statement makes you much more likely, somewhat more likely, somewhat less likely or much less likely to support putting a big box store at the Foothill's-Pearl Street site. If the statement does not affect your opinion of the Foothill's-Pearl Street site, one way or another, just say so. The first statement is: *[Read list; Randomize except read "a" and "b" as a pair, in that order]*

| | <u>Much DK/ More</u> | <u>S'what More</u> | <u>No Affect</u> | <u>S'what Less</u> | <u>Much Less</u> | <u>NS</u> |
|---|-------------------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|------------------|
| a. The Foothills-Pearl site is the most centrally located site due to its regional access from the adjacent Foothills Parkway | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 22% | 32% | 21% | 9% | 13% | 3% |
| Latino <i>[n=81]</i> | 27% | 36% | 16% | 11% | 10% | -- |
| b. There are currently several landowners on this site, as well as operating warehouses, all of which would have to be purchased and then torn down to provide enough land to develop a big box store, assuming all the existing owners would agree to sell their buildings | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 9% | 20% | 22% | 22% | 25% | 2% |
| Latino <i>[n=81]</i> | 17% | 27% | 17% | 20% | 16% | 2% |
| c. The City needs to start building up its tax base now, and cannot afford the years it could take for all the owners of this site to agree to sell the property to a big box store developer, if they can agree at all | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 7% | 14% | 25% | 26% | 22% | 6% |
| Latino <i>[n=81]</i> | 15% | 32% | 18% | 21% | 14% | -- |
| d. The City could shorten the time it could take to redevelop the Foothills-Pearl Street site, and make it more likely to happen, by offering to give to the property owners a several million dollar financial incentive that will be paid out of future city sales tax dollars collected by stores located on this site | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 6% | 19% | 16% | 20% | 36% | 3% |
| Latino <i>[n=81]</i> | 16% | 30% | 20% | 14% | 21% | -- |

19. Next I will read you statements for and against putting a big box store on the Palmos 28th and Jay Road site. Assuming each statement I read is true, after I read each one, please tell me whether that statement makes you much more likely, somewhat more likely, somewhat less likely or much less likely to support putting a big box store at the Palmos site at 28th and Jay Road. If the statement does not affect your opinion of the Palmos site, one way or another, just say so. The first statement is: *[Read list; Randomize except read “a” and “b” as a pair, in that order]*

| | <u>Much DK/ More</u> | <u>S’what More</u> | <u>No Affect</u> | <u>S’what Less</u> | <u>Much Less</u> | <u>NS</u> |
|--|-------------------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|------------------|
| a. Currently the Palmos property is located in the County, not the City, and cannot be used for development without a vote of both the City and County planning boards, as well as the City Council and the County Commissioners, which may take years | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 10% | 14% | 22% | 22% | 26% | 5% |
| Latino <i>[n=81]</i> | 20% | 18% | 14% | 22% | 25% | 1% |
| b. The City needs to start building up its tax base now, and cannot afford the years it could take to get the approval of four City and County government bodies, which may not even happen | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 9% | 11% | 25% | 23% | 27% | 4% |
| Latino <i>[n=81]</i> | 19% | 17% | 12% | 26% | 26% | -- |
| c. This land is designated as “planning reserve” in the comprehensive plan, which means it is intended to stay undeveloped until all other sites for this type of development within the city are exhausted. This is not the case at this time | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 10% | 12% | 18% | 20% | 33% | 7% |
| Latino <i>[n=81]</i> | 21% | 27% | 12% | 17% | 22% | -- |
| d. Big box stores tend to be developed on less expensive and previously undeveloped land, and the Palmos property meets this criteria | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 19% | 22% | 22% | 11% | 23% | 3% |
| Latino <i>[n=81]</i> | 27% | 26% | 9% | 18% | 18% | 1% |
| e. Given the undeveloped character of the Palmos site, it may be the only site that would not require any city tax dollars as a financial incentive to make a big box store development feasible | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 22% | 24% | 20% | 10% | 20% | 4% |
| Latino <i>[n=81]</i> | 33% | 31% | 7% | 9% | 17% | 2% |
| f. The Palmos property would be the least expensive of the three sites to develop | | | | | | |
| Total Weighted Sample <i>[n=478]</i> | 19% | 25% | 25% | 8% | 18% | 5% |
| Latino <i>[n=81]</i> | 35% | 23% | 14% | 11% | 17% | -- |

20. Now after having heard statements about all three sites:

- The Diagonal Plaza site
- The Foothills Highway and Pearl Street site
- The Palmos site north of 28th and Jay Road

which one do you now think would be the best place to locate a new big box store, assuming, as we discussed earlier, that a Wal-Mart or a Sam's Club would not be one of the possible big box stores? Would it be best to locate it at:

| | Total Weighted Sample [n=478] | Latino [n=81] |
|---|---|-------------------------|
| The Diagonal Plaza site | 31% | 28% ⇒ Go to 21 |
| The Foothills Highway and Pearl Street site | 28% | 20% ⇒ Go to 21 |
| The Palmos property north of 28th and Jay..... | 28% | 42% ⇒ Go to 21 |
| None of the above [No Prompt] | 10% | 5% ⇒ Go to |
| 20a | | |
| DK/NS | 3% | 5% ⇒ Go to 21 |

20a. [Ask only if R says "None of the above" in Q20; else go to Q21] Even though you don't want to locate a big box store at any of these sites, if the City had to choose among just these three sites, which one do you think would be the best of the three—the Diagonal Plaza Site, the Foothills Highway and Pearl Street site, or the Palmos property north of 28th and Jay Road?

| Sample | Q20a Total | | Total Weighted | |
|---|------------------------------|-----------------|--------------------------------|--------------------------------|
| | Weighted Sample [n=48] | Latino [n=4] | Sample Q20 & 20a [n=478] | Latino Q20 & Q20a [n=81] |
| The Diagonal Plaza site | 11% | -- | 32% | 28% |
| The Foothills Highway and Pearl Street site | 17% | 25% | 30% | 21% |
| The Palmos property north of 28th and Jay..... | 13% | 25% | 29% | 43% |
| None of the above [No Prompt] | 57% | 50% | 6% | 2% |
| DK/NS | 2% | -- | 3% | 5% |

21. And of the remaining two sites: [Read remaining two out of list below]

- The Diagonal Plaza site
- The Foothills Highway and Pearl Street site
- The Palmos property north of 28th and Jay Road

Which one do you think would be the worse place to locate a new big box store?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|---|---|-------------------------|
| The Diagonal Plaza site | 18% | 22% ⇒ Go to 22 |
| The Foothills Highway and Pearl Street site | 24% | 32% ⇒ Go to 22 |
| The Palmos site north of 28th and Jay..... | 47% | 33% ⇒ Go to 22 |
| None of the above [No Prompt] | 4% | 5% ⇒ Go to |
| 21a | | |
| DK/NS | 7% | 7% ⇒ Go to 22 |

- 21a. *[Ask only if R says "None of the above" in Q21; else go to Q22]* Even though you don't want to locate a big box store at any of these two sites, if the City had to choose among just these two, which one do you think would be the worse of the two—[the **Diagonal Plaza Site/the Foothills Highway-Pearl Street site/the Pamos property north of 28th and Jay Road**]?²

| Sample | Q21a Total | | Total Weighted | Total |
|---|---------------------------|-----------------|------------------------------|-----------------------------|
| | Weighted Sample [n=20] | Latino [n=4] | Sample Q21 & Q21a [n=478] | Latino Q21 & Q21a [n=81] |
| The Diagonal Plaza site | -- | -- | 18% | 22% |
| The Foothills Highway and Pearl Street site | 22% | 50% | 25% | 35% |
| The Pamos property north of 28th and Jay..... | 11% | -- | 48% | 33% |
| None of the above <i>[No Prompt]</i> | 53% | 25% | 2% | 1% |
| DK/NS | 14% | 25% | 7% | 9% |

- 22a. City officials may feel it is important to try to attract a new big box store in order to boost city sales tax revenues. However, it may turn out that there is no land available within the city limits of Boulder on which to locate a new big box store in the next five to ten years without using city tax dollars to provide tax breaks to the company building the store. I will now read you three statements about how the City could proceed if in fact there turns out to be no suitable land on which to build a big box store in the City of Boulder. After I read all three, please tell me which one comes closest to your view. The first is: *[Read list; Reverse order for 1/2] [Single response only]*

| | Weighted Sample [n=208] | Latino [n=16] |
|---|----------------------------|------------------|
| a. It's better to offer a big box store developer an incentive of several million dollars of public sales tax revenues to build the store within the existing city limits, and NOT try to annex land from the Planning Reserve just so a big box store can be built. | 18% | 31% |
| b. It's better for the City to annex land which is now part of the planning reserve, and NOT offer a developer an incentive of several million dollars of public sales tax revenues just to build a big box store within the existing city limits of Boulder where land is scarce. | 32% | 31% |
| c. The city should not be trying to bring in another big box store at this time | 43% | 38% |
| DK/NS | 7% | -- |

- 22b. City officials may feel it is important to try to attract a new big box store in order to boost city sales tax revenues. However, it may turn out that there is no land available within the city limits of Boulder on which to locate a new big box store in the next five to ten years without using city tax dollars to provide tax breaks to the company building the store. I will now read you two statements about how the City could proceed if in fact there turns out to be no suitable land on which to build a big box store in the City of Boulder. After I read both, please tell me which one comes closest to your view. The first is: *[Read list; Reverse order for 1/2] [Single response only]*

Weighted
Sample **Latino**
[n=270] ***[n=65]***

- | | | |
|---|-----|-----|
| a. It's better to offer a big box store developer an incentive of several million dollars of public sales tax revenues to build the store within the existing city limits, and NOT try to annex land from the Planning Reserve just so a big box store can be built. | 35% | 43% |
| b. It's better for the City to annex land which is now part of the planning reserve, and NOT offer a developer an incentive of several million dollars of public sales tax revenues just to build a big box store within the existing city limits of Boulder where land is scarce. | 47% | 45% |
| c. The city should not be trying to bring in another big box store at this time <i>[No Prompt]</i> | 11% | 6% |
| DK/NS | 6% | 6% |

23. Finally, I will read you two statements about big box stores, and after I read both, please tell me which statement comes closer to expressing how you feel. *[Randomize order of Statements A and B]*

Statement A: The City should attract another big box store to Boulder. City sales tax dollars are down 18% over the past five years, and City programs and services have been reduced or eliminated. Tax revenues from the new 29th Street project are not expected to make up the entire 18% that has been lost, so a new big box store will help restore additional lost revenue, and also save Boulder residents driving costs and time by spending more of their shopping and sales tax dollars in Boulder stores

Statement B: The City should not try to attract another big box store to Boulder, because we should be supporting our own local stores, which could be hurt by another big box store locating here in Boulder. In addition, it may cost the City several million in city tax dollars to attract a big box store, and could increase the traffic congestion in Boulder. The City should wait until the new 29th Street Mall is completed to see if Boulder really needs a new big box store.

Which do you feel comes closest to your point of view, Statement A or Statement B?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-------------------|--|--------------------------|
| Statement A | 29% | 39% |
| Statement B..... | 65% | 56% |
| DK/NS | 6% | 5% |

Our last questions are about you and your family. The answers to these questions will help us statistically classify the results we obtain and will only be used when combined with the hundreds of other interviews conducted for this survey. If I come to a question that you prefer not to answer, please just say so, and I will move on to the next question.

- D1. Some people are always following what's going on in local politics and public affairs. Others just aren't that interested. Do you follow what's going on politically and in government all of the time, most of the time, some of the time or almost never?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|------------------------|--|--------------------------|
| All of the time | 25% | 14% |
| Most of the time | 39% | 37% |
| Some of the time..... | 32% | 38% |
| Almost never | 4% | 9% |
| Refused..... | -- | -- |
| DK/NS | * | 2% |

- D2. About how long have you lived in Boulder? [0=Less than one year / 99=DK/NS]

| | Total Weighted Sample [n=478] | Latino [n=81] |
|--------------------------|--|--------------------------|
| 5 years or less..... | 20% | 18% |
| 6-15 years | 23% | 28% |
| 16-25 years | 20% | 25% |
| 26-40 years | 25% | 14% |
| More than 40 years | 10% | 7% |
| DK/NS/Ref..... | 2% | 7% |

- D3. What was the last grade in school you had the opportunity to complete? [Do not read list]

| | Total Weighted Sample [n=478] | Latino [n=81] |
|----------------------------------|--|--------------------------|
| Less than HS degree..... | 3% | 16% |
| HS grad/voc ed..... | 7% | 25% |
| Some college | 16% | 14% |
| College graduate..... | 40% | 21% |
| Post grad. degree or study | 34% | 17% |
| Refused..... | * | 5% |
| DK/NS | * | 2% |

D4. May I ask how old you are? [98=98+ years old / 99=DK/NS/Ref]

| | Total Weighted Sample [n=478] | Latino [n=81] |
|------------------|---|-------------------------|
| 18-24 | 11% | 16% |
| 25-34 | 10% | 18% |
| 35-44 | 15% | 22% |
| 45-54 | 24% | 18% |
| 55-64 | 18% | 9% |
| 65 or older..... | 19% | 10% |
| Refused..... | 3% | 6% |

D5. Do you live North or South of Arapahoe?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-------------|---|-------------------------|
| North | 50% | 52% |
| South..... | 46% | 30% |
| DK/NS | 4% | 18% |

D6. Do you live East or West of 28th or US 36?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|-------------|---|-------------------------|
| East | 36% | 38% |
| West | 62% | 49% |
| DK/NS | 2% | 12% |

D5 & D6. COMBINED

| | Total Weighted Sample [n=478] | Latino [n=81] |
|--------------------------|---|-------------------------|
| Northeast Quadrant | 16% | 21% |
| Northwest Quadrant..... | 34% | 27% |
| Southeast Quadrant..... | 19% | 11% |
| Southwest Quadrant..... | 26% | 16% |
| DK/NS | 5% | 25% |

D7. Do you happen to have any children age 18 or younger living with you at home?

| | Total Weighted Sample [n=478] | Latino [n=81] |
|--------------------|---|-------------------------|
| Yes..... | 26% | 38% |
| No | 73% | 57% |
| DK/NS/Refused..... | 1% | 5% |

- D8. And which of the following income groups includes your family's total annual income from all sources in 2005 *[Read list except refused and DK/NS]*

| | Total Weighted Sample <i>[n=478]</i> | Latino <i>[n=81]</i> |
|--|--|-------------------------------------|
| Less than \$20,000 | 8% | 14% |
| \$20,000, but less than \$40,000 | 15% | 17% |
| \$40,000, but less than \$60,000 | 13% | 16% |
| \$60,000, but less than \$75,000 | 9% | 7% |
| \$75,000, but less than \$100,000 | 14% | 5% |
| \$100,000, but less than \$150,000 | 12% | 5% |
| \$150,000 or over | 11% | 5% |
| Refused | 14% | 25% \Leftarrow <i>Do not read</i> |
| DK/NS | 4% | 6% \Leftarrow <i>Do not read</i> |

- D9. Finally, so we can ensure that all groups are statistically represented, would you please tell me what racial or ethnic group you consider yourself to be a member of?

| | Total Weighted Sample <i>[n=478]</i> | Latino <i>[n=81]</i> |
|-------------------------------|--|--------------------------------|
| White/Caucasian | 84% | -- |
| Black/African American | 1% | -- |
| Hispanic/Latino | 10% | 100% |
| Oriental | 2% | -- |
| Multi-Ethnic/Mixed race | * | -- |
| Refused | 3% | -- |

Thank you for taking our survey, your answers have been extremely helpful.

METHODOLOGY

The 2006 Boulder Retail Survey was conducted on behalf of the city of Boulder by Talmey-Drake Research & Strategy, Inc., a public opinion research firm located in Boulder, Colorado. The results of this survey are based upon 478 telephone interviews with active voters living in the city of Boulder, CO. The telephone numbers used in this survey were randomly generated from a list of active voters. In addition to the active voter list, a list of Latino surnamed households was purchased from Survey Sampling. The interviews were conducted from February 27 to March 8, 2006. In order to ensure that the views of low income and minority residents of Boulder could be sufficiently ascertained as part of this study, Boulder's Latino population was oversampled, by obtaining interviews with a minimum of 80 Latino surnamed households. Eighty-one were actually completed. Latinos were given the option of taking the survey in English or Spanish. The data resulting from these 81 interviews were then weighted down to represent 10% of the survey data. Quotas were also established to obtain approximately equal numbers of males and females. A random sample of 478 has a worst-case, 95% confidence interval of plus or minus 4.5% about any one reported percentage.

Admin/Boulder Retail Final.%